

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

February 22, 2007

Dave Shaver, Environmental Coordinator Andalex Resources, Inc. P.O. Box 1077 Price, Utah 84501

Subject: Status of Ownership and Control Deficiencies, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task #2687, Andalex Resources, Inc., Centennial Mine, C/007/0019, Task #2685, Andalex Resources, Inc., Wildcat Loadout, C/007/0033, Task #2683, West Ridge Resources, Inc., West Ridge Mine, C/007/0041, Task #2684, Genwal Resources, Inc., Crandall Canyon Mine, Task #2686, Outgoing File

Dear Mr. Shaver:

You submitted ownership and control for the Centennial Mine, Wildcat Loadout Facility, West Ridge Mine, and Crandall Canyon Mine on October 25, 2006 and for the Horse Canyon Mine on November 1, 2006. This letter is to document that the Division sent all of the ownership and control information to the Office of Surface Mining, Applicant Violator System Office (AVSO) in January 2007. Since that time, there have been a number of deficiencies identified by AVSO and all of these deficiencies were forwarded to Denise Dragoo and copied to you.

All of the deficiencies must be addressed. Of note, the ownership and control information must be updated prior to the issuance of the permit for the Lila Canyon Extension of the Horse Canyon Mine.

If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig

Permit Supervisor

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cc: Denise Dragoo, Snell and Wilmer

Price Field Office

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